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CHARLES ELMORE CROPLEY
CLERK

IN THE
Supreme Court of the United States

OCTOBER TERM, A. D. 1940.

No. 420

BEN ADLER SIGNS, INCORPORATED AND ADLER
SIGN LETTER COMPANY, INCORPORATED,
Petitioners,

vs.

WAGNER SIGN SERVICE, INCORPORATED,
Respondent.

BRIEF FOR RESPONDENT

in opposition to

(a) FILING OUT OF TIME OF PETITION FOR RE-
HEARING

and

(b) PETITION FOR REHEARING OF PETITION FOR
CERTIORARI DENIED OCTOBER 28, 1940.

ALBERT G. McCaleb,
Counsel for Respondent.

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MAY IT PLEASE THE COURT:

The motion for leave belatedly and out of time to file a Petition for Rehearing of the Petition for Writ of Certiorari should be denied because

1. The petition for rehearing was presented forty-two (42) days after your Honors denied the petition for writ of certiorari on October 28th last. Petitioners had not made any previous application for enlargement of the

twenty-five (25) day period which Rule 33 of this Court allows for the filing of petitions for rehearing.

2. Delay, whenever and howsoever it may be accomplished, is a fixed policy and habit with the petitioners. For examples: The decision of the Circuit Court of Appeals was rendered on April 25, 1940 (Tr. p. 436). Petitioners filed a petition for rehearing in the Circuit Court of Appeals on May 10, 1940,—on the very last day allowed for that purpose by the rules of the Circuit Court of Appeals (Tr. p. 449). The Circuit Court of Appeals denied rehearing on June 14, 1940* (Tr. p. 450). Petitioners did not file their petition for writ of certiorari in the Supreme Court until September 12, 1940,—just two days short of the three months in which it was legally permissible to file such petition for writ of certiorari. In the light of the record we submit that petitioners are not entitled to have the rules of the Supreme Court suspended in order to permit them belatedly, and out of time, to petition for rehearing of the denied petition for writ of certiorari.

3. The practice of filing petitions for rehearing of denied petitions for the writ of certiorari is not one to be *encouraged*. Certainly the practice of belatedly, and out of time, submitting such petitions for rehearing is one which deserves summary and emphatic *discouragement*.

4. Present counsel for petitioners, offering their allegedly recent retainer in this litigation as an excuse for the belated submission of the Petition for Rehearing, have not been entirely frank with the Court. Counsel imply that they were very recently retained in the litigation, but carefully refrain from saying *when*** retained.

* Transcript erroneously says June 15th, 1940.

** We for respondent know that present counsel for petitioners were retained in this litigation at least as early as November 6, 1940. Mr. Benjamin H. Adler, owner and principal executive of petitioners, has made affidavit to the effect that the firm of accountants, which Mr. Mecklenburger says he, Mecklenburger, retained (Mecklenburger affidavit p. 4, paragraph 3) were "employed * * * on November 6, 1940" after doing some preliminary work beginning "on or about October 25, 1940."

The Petition for Rehearing of the Petition for Writ of Certiorari should be denied because

1. Both the motion for leave belatedly to file the Petition for Rehearing and the affidavit of counsel accompanying such motion indicate that, in the opinion of counsel for petitioners, grounds for certiorari were not "properly presented" by the heretofore denied petition for writ of certiorari. (See motion, p. 2, lines 10 and 11; affidavit, p. 4, line 4 from bottom.) Thus counsel for petitioners seem to agree with your Honors, and respondent, that the petition for writ of certiorari deserved to be denied. If the so-called petition for rehearing renders the unmeritorious petition for writ of certiorari meritorious, such petition for rehearing, despite its name, is in reality a second petition for writ of certiorari,—i. e., a second petition for writ of certiorari which is self-denying because presented nearly six (6) months after the denial of rehearing by the Circuit Court of Appeals on June 14, 1940.

2. The Petition for Rehearing says:

"The Circuit Court of Appeals for the Seventh Circuit found the Respondent's earlier patent only was valid and infringed but also *expressed doubt* as to the correctness of that finding." (Italics ours.) Petition, p. 2.

This is a gross misrepresentation of what was expressed by the Circuit Court of Appeals. The Circuit Court of Appeals, in its opinion, said:

"We must admit that at the *commencement* of our study of this patent in connection with the prior art, we were dubious concerning its validity, occasioned, no doubt, by the apparent simplicity of the construction disclosed. *More* careful consideration, however, *leads us to the opposite conclusion*. A study of the testimony is rather *convincing* that the industry, for many years, had labored under the handicap of unsatisfactory signs, and as the prior art amply discloses, much ef-

fort was exerted to remedy the situation. Numerous devices were recommended, tried, and largely abandoned. That the silhouette sign, such as described by Wagner, met with hearty response on the part of theatre owners, is hardly open to question. They generally have supplanted the numerous letter advertising devices which had been theretofore employed. *This situation is rather persuasive to the effect that the patent describes an invention of merit.* The presumption of validity which attaches to its issuance, as well as the finding of the court below in favor of validity, supports our conclusion that it is valid." (Italics ours.) Tr. p. 440.

3. Petitioners (corporate cloaks for the sign manufacturing and selling activities of Benjamin H. Adler) are the *only* sign manufacturers who have been unscrupulous enough to infringe the Wagner patent. Petitioners argue in effect that such circumstances requires the issuance of the writ of certiorari, despite that this is an ordinary patent case presenting only the usual issues of invention, breadth of claims, and infringement. Apparently petitioners regard it as unthinkable that the Supreme Court ever should escape the burden of passing upon the validity and scope of any patent adjudged valid and infringed by inferior courts. Your Honors are told that if you do not elect to review the Wagner patent now, you may never get another chance. If infringing manufacture and sale of Wagner's new kind of sign is likely to have stopped with Adler (and that should be a possibility if respect for court decisions and patent property continues to exist in this country) such likelihood augers against the suggestion that your Honors should be required to review this very ordinary patent case.

4. Petitioners' suggestion that respondent plans to institute a multiplicity of suits against sign users is entirely unjustified. Obviously no infringement suit against the user of any given theatre sign could net respondent even

a fraction of the unavoidable expense of the litigation. The one suit instituted against a sign user which is mentioned by petitioners, in both the petition for writ of certiorari and in the petition for rehearing thereof, is the suit against Midwest News Reel Theatres, Inc. That action, which respondent was compelled to institute in order to enjoin a particularly prominent, damaging and vexatious infringement of the Wagner patent, has proceeded only to the stage where the defendant has taken an appeal against a decree awarding the patent owner a preliminary injunction (suspended pending appeal). Nevertheless, that action already has cost the patent owner, in court costs and attorney's fees, moneys which aggregate many times the maximum money judgment which can be recovered from the user of the infringing sign on any theory.

5. Neither the case of *Schriber-Schroth Co. v. Cleveland Trust Co.*, 305 U. S. 47, 50, nor any other case cited by petitioners, requires or would justify a rehearing of the petition for certiorari heretofore denied by your Honors. In no sense is the theatre sign industry concentrated in Chicago, or the Seventh Circuit, or in any particular ones of the federal judicial circuits.* Wherever, throughout the United States, there is any considerable volume of theatre sign business to be had, there you will find makers, sellers and servicers of such signs. The nature of the sign business and freight rates make this so. The fact that petitioners and respondent, small companies, happen to be located in the City of Chicago, does not mean that the theatre sign industry, or any substantial part of it, is concentrated in the Seventh Circuit. It so happens that Mr. Benjamin H. Adler, who owns and operates petitioners, lives in Chicago, and there saw and chose to imitate the sign of the Wagner patent. Of the hundreds of per-

* As your Honors know New York (Second Circuit) and Hollywood (Ninth Circuit) contain most of the executive heads and purchasing agents of "show business." Nevertheless the theatre sign business is widely scattered over the nation.

sons and concerns engaged in the sign business throughout the United States, he is the only one who is unscrupulous enough slavishly to copy the Wagner sign and, by so doing, infringe the Wagner patent.

Respectfully submitted,

ALBERT G. McCALEB,
Counsel for Respondent.

Chicago, Illinois,
December 12, 1940.